

Offshore & Specialized Vessels with record earnings and increased order backlog – Cruise & Ferries still challenging

STX Europe reported an EBITDA of NOK 88 million for the first quarter of 2010, up from NOK 6 million in the same period last year. Operating revenues amounted to NOK 5 159 million, down 41 percent compared to the first quarter in 2009. The Offshore & Specialized Vessels business area had a record high EBITDA of NOK 293 million and the Cruise & Ferries business area had an EBITDA of NOK -196 million.

In the first quarter of 2010, STX Europe posted operating revenues of NOK 5 159 million, a decrease from the NOK 8 779 million in the corresponding period of 2009. The EBITDA result was NOK 88 million, compared with NOK 6 million last year. The EBITDA margin for the first quarter of 2010 was 1.7 percent.

While the overall result for the Group is unsatisfactory, the Offshore & Specialized Vessels business area achieved a quarterly result exceeding expectations with an EBITDA margin of 11.1 percent, up from 2.3 percent in the first quarter 2009. The business area had solid operational performance and increased its order backlog during the quarter.

Within the Cruise & Ferries business area the EBITDA margin was -8.2 percent, mainly reflecting cost overruns related to certain vessels as well as capacity- and restructuring costs as a consequence of the reduced order backlog.

In March 2010, STX Europe completed a bond issue of NOK 250 million. The proceeds from the

bond issue will be used for general corporate purposes.

Operations at the yards largely progressed according to plan. However, within the Cruise & Ferries business area, some projects negatively influenced the results.

During the first quarter of 2010 STX Europe delivered a total of seven vessels, three of which have STX Europe's own design. The order intake was NOK 2 808 million for the quarter, giving an order backlog of NOK 22 321 million comprising 49 vessels and some smaller conversion/maintenance projects.

The Offshore & Specialized Vessels yards had good capacity utilization and managed to increase the order backlog during Q1. The business area is expected to have high utilization throughout 2010 and the outlook for the business area is considered to be good. For the Cruise & Ferries business area the medium- to long term outlook has improved. However, the reduced order backlog creates significant operational challenges and financial losses within the business area for 2010.

Key Financial Figures	Quarterly results					Annual results	
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2008	2009
<i>Amounts in NOK million</i>							
Operating revenues	8 779	6 610	6 426	7 326	5 159	31 496	29 141
EBITDA	6	75	96	-44	88	-400	133
EBITDA-margin (%)	0.1 %	1.1 %	1.5 %	-0.6 %	1.7 %	-1.3 %	0.5 %
EBITA	-95	-29	-	-142	-3	-778	-266
EBITA-margin (%)	-1.1 %	-0.4 %	0.0 %	-1.9 %	-0.1 %	-2.5 %	-0.9 %
EBIT	-99	-33	-4	-244	-20	-561	-380
Profit from continuing operations	-180	-37	-185	-299	-146	-585	-702
Total assets	30 797	31 103	32 730	29 356	26 758	33 635	29 356
Equity	6 690	6 697	6 225	5 718	5 441	6 933	5 718
Equity ratio (%)	21.7 %	21.5 %	19.0 %	19.5 %	20.3 %	20.6 %	19.5 %
Net interest-bearing liabilities (+) / Deposits (-)	1 972	2 447	2 334	933	1 350	2 550	933
Cash & bank deposits	2 745	2 250	2 012	3 339	2 668	3 262	3 339
Working capital	3 750	3 809	3 747	2 816	3 014	3 354	2 276
Order intake	380	3 993	400	3 177	2 808	10 083	7 950
Order backlog	38 024	35 367	28 344	24 677	22 321	47 782	24 677
Number of employees	16 283	16 447	16 306	15 937	15 584	16 411	15 937

Group financials

The discussion of the financial results should be read together with the tabular information on page 7 onwards.

Financial results first quarter 2010

STX Europe had revenues of NOK 5 159 million in the first quarter of 2010, down 41 percent compared with NOK 8 779 million in the corresponding period in 2009. The decrease in revenues is mainly due to reduced yard activity at the Cruise & Ferries yards as a consequence of low order intake and reduced order backlog.

STX Europe delivered six vessels during the quarter and the order backlog at the end of the quarter was NOK 22 321 million consisting of 49 vessels.

In the first quarter of 2010, the company achieved an EBITDA of NOK 88 million compared with NOK 6 million in the corresponding quarter in 2009. The Group EBITDA margin was 1.7 percent compared with 0.1 percent in the same period last year.

EBIT for the quarter was NOK -20 million. Net financial items were NOK 15 million. Pre-tax profit for the first quarter was NOK -151 million. In addition to the negative results from the Cruise & Ferries business area, the first quarter results were negatively impacted by material loss provisions related to the bankruptcy of Wadan Yards Group AS and associated matters.

Net working capital as of 31 March 2010 was positive with NOK 908 million compared with NOK -52 million in the previous quarter and NOK 1 434 million in first quarter 2009. The total working capital was NOK 3 595 million at the end of the quarter.

Total interest bearing debt was NOK 2 960 million at the end of the first quarter 2010. Net interest-bearing liabilities were NOK 1 350 million, compared with NOK 933 million in the previous quarter. During the quarter, STX Europe completed a 2-year NOK 250 million unsecured bond loan. The proceeds will be used for general corporate purposes.

Business Area information

Cruise & Ferries

In NOK million	Q1 09	Q1 10	2008	2009
Operating revenues	5 026	2 383	19 709	14 980
EBITDA	8	-196	103	-209
EBITDA margin %	0.2 %	-8.2 %	0.5 %	-1.4 %
Order intake	-	54	3 871	2 782
Order backlog	15 531	5 588	22 446	8 987

Financial results - Cruise & Ferries

The Cruise & Ferries business area had first quarter 2010 revenues of NOK 2 383 million, compared with NOK 5 026 million in the corresponding period of 2009. The first quarter EBITDA was NOK -196 million, yielding an EBITDA margin of -8.2 percent. While the overall result for the business area is unsatisfactory, the Rauma yard in Finland has acceptable financial performance.

At the end of the quarter, the Cruise & Ferries business area had an order backlog of NOK 5 588 million, a 64 percent decrease since the end of first quarter 2009. The order book at the end of the quarter consisted of seven vessels and some smaller conversion / maintenance projects.

Although the majority of ongoing projects are proceeding according to plan, one project in particular influenced the results negatively (see below). Furthermore, capacity- and restructuring costs resulting from the reduced order backlog is also negatively influencing the profitability of the business area.

During the quarter, STX France experienced cost overruns mainly related to one of its cruise vessels under construction at the Saint-Nazaire shipyard. The cost overrun could represent a negative deviation up to EUR 15 – 20 million. Every possible effort is being made to limit the impact. STX France has a satisfactory working capital position and the funding of the cost overruns will be managed from STX France.

Orders and deliveries - Cruise & Ferries

During the first quarter the Cruise & Ferries business area delivered the *MSC Magnifica*. She is the tenth cruise ship to be delivered to MSC from the Saint-Nazaire yard. *MSC Magnifica* is 294 meters long, 32 meters wide and 60 meters tall, and differs from her three predecessors due to its covered pool, enlarged cafeteria area and many decorative and technological innovations. In March, STX Europe and MSC signed a letter of intent for the construction of a new large cruise ship – a sister vessel of *MSC Splendida* – to be delivered in 2012. At the Helsinki yard, the conversion of *Hammerodde* was completed in March. A similar conversion project is currently being completed at the yard.

The Cruise & Ferries order backlog at the end of the quarter consisted of a total of six vessels and two conversion/maintenance projects. Among the vessels scheduled for delivery in 2010 is the *Allure of the Seas*, sister vessel of *Oasis of the Seas* - the largest cruise ship ever built. The *Norwegian Epic*, which is being built for Norwegian Cruise Lines in STX France, is expected to be delivered in June 2010.

The Saint-Nazaire yard is also constructing a Helicopter Carrier for the French Navy and the Lorient yard is constructing a patrol vessel for the Moroccan Navy.

Two car passenger ferries for P&O Ferries are under construction at the Rauma yard in STX Finland, with scheduled delivery in late 2010 and third quarter 2011, respectively. The Rauma yard's orderbook also include the construction of an advanced polar research vessel to be delivered in 2012.

Operation and market comments - Cruise & Ferries

While the overall operational performance during the quarter was acceptable, capacity and operations at certain yards will be assessed to meet the challenges from the reduced order intake. Contracting activity in the market is still low and the cruise & ferry yards will experience reduced activity in the short term.

The macro economic picture, especially consumer confidence and spending is important for the cruise industry. Firmer prices and increased booking activity among the major cruise liners suggests that consumers are increasingly confident. Overall, economic indicators have improved in recent months and the cruise operators appear to be somewhat more confident regarding the outlook for the cruise industry. Consequently, STX Europe is more optimistic regarding its ability to secure new contracts during 2010 and 2011.

On the back of an improved industry outlook, STX Europe signed a letter of intent for a larger cruise vessel in the first quarter 2010. However, this possible contract will not be sufficient to secure full loading, capacity utilization and operations at the Cruise & Ferries shipyards. Additional actions are being considered to cope with such challenges. Furthermore, significant measures are introduced to improve the operational effectiveness and long term competitiveness of these yards. By relying on past experience and long term customer relationships, STX Europe is also taking a selective approach to diversification into new markets for the business area.

Offshore & Specialized Vessels

<i>In NOK million</i>	Q1 09	Q1 10	2008	2009
Operating revenues	3 253	2 637	10 427	12 508
EBITDA	75	293	-29	643
EBITDA margin %	2.3 %	11.1 %	-0.3 %	5.1 %
Order intake	352	2 743	6 140	5 152
Order backlog	21 664	16 727	24 113	15 613

Financial results - Offshore & Specialized Vessels

The business area Offshore & Specialized Vessels had first quarter operating revenues of NOK 2 637 million, compared with NOK 3 253 million in the corresponding quarter in 2009.

Offshore & Specialized Vessels achieved record earnings with an EBITDA of NOK 293 million in the first quarter 2010, giving an EBITDA margin of 11.1 percent. The business area significantly improved its earnings as compared with the same period in 2009.

Total order intake in the first quarter amounted to NOK 2 743 million, a significant increase from the NOK 352 million in the corresponding period last year. Offshore & Specialized Vessels had an order book of 42 vessels, amounting to a backlog of NOK 16 727 million at the end of the period. With several new contracts, the order backlog increased during the first quarter of 2010.

Orders and deliveries - Offshore & Specialized Vessels

The Offshore & Specialized vessels business area delivered five vessels in the first quarter 2010; two PSV's, two AHTS's and one offshore subsea construction vessel.

In January, STX Europe delivered *Scandi Aker*, a complex well intervention/subsea construction vessel designed for world wide operations, to Dof Subsea. The vessel is designed by STX Norway Offshore Design and has an environmentally friendly design with a low resistance hull shape designed for high speed and low fuel consumption, as well as low emissions. The vessel will be operated by Aker Solutions.

STX Europe also delivered the PSV *Tidewater Enabler* from the Brevik yard and *North Purpose* to Gulf Offshore from the Søviknes yard. *Far Shogun* and *Far Saracen*, two multifunctional deepwater anchor handling tug support vessels, were delivered from the Langsten yard to Farstad. These vessels feature high bollard pull capacity of 240t and a hybrid propulsion system.

During the first quarter, the Offshore & Specialized Vessels business area entered into four new contracts. The first contract in 2010 was a platform supply vessel with STX Europe PSV 09 Design. This features the new environmental friendly hull lines optimized for eco-drive in all weather conditions. The vessel is scheduled for delivery in Q4 2011. Three of the new orders are special purpose vessels to be built for a new foreign customer. The vessels are designed to satisfy the general requirements of salvage, rescue and towing operations including fire fighting and pollution prevention, and will be delivered in the Q4 2011 and Q2/Q3 2012 respectively.

At the end of the quarter, the order backlog consisted of 42 Offshore & Specialized Vessels, of which 33 have STX Europe design.

Operation and market comments - Offshore & Specialized Vessels

During the first quarter, the business area had high activity levels and good project execution and operations. The order backlog gives high capacity utilization both for hull construction in Romania and at the yards in Norway, Brazil and Vietnam. Activity levels are expected to remain high throughout 2010.

A major demand driver for larger offshore vessels is increased activities in harsh environments and deep water, which is affected by the overall activity levels in worldwide offshore oil and gas markets. In 2009 deepwater discoveries constituted 40 percent of the total discoveries over 460 msw. Over the past 10 years, 60-90 percent of these discoveries were made in the area between West Africa, Brazil & the Gulf of Mexico (Source: ODS Petrodata).

STX Europe's strategy is to focus on producing large, advanced and highly technical offshore & specialized vessels with innovative solutions to meet the new and demanding environmental-, safety- and age-requirements. This is expected to position the company well for the future, as market demand for such vessels is expected to increase as exploration and development move to deep and ultra-deep waters.

To meet the growing market in Brazil, STX Europe plans to expand its shipbuilding capacity for offshore and specialized vessels by taking a 51 percent controlling stake in a new Brazilian shipyard. The company entered into a letter of intent with PJMR for this project. The yard will be located in Fortaleza, in the Ceará state of Brazil. STX Europe entered the Brazilian market ten years ago, and has by continuous effort and good cooperation with its local partners PJMR developed a strong position to meet the demanding requirements of the oil and gas industry in Brazil. The new shipyard will strengthen the group's ability to serve its clients in Brazil with increased capacity and capability. The existing yard in Brazil has, over the past months received orders for three new advanced PSV's and has eight vessels in the backlog with delivery up to 2013.

Other Operations

<i>In NOK million</i>	Q1 09	Q1 10	2008	2009
Operating revenues	500	139	1360	1654
EBITDA	-78	-9	-474	-301
Order intake	28	11	72	17
Order backlog	829	6	1 223	76

Financial results – Other Operations

Other Operations includes the Florø yard and Aker Arctic Technology together with certain other smaller units and corporate services.

First quarter 2010 revenues amounted to NOK 139 million for Other Operations, down from NOK 500 million in the corresponding period last year. The decrease in revenues is a consequence of reduced activity levels in Florø. The EBITDA for Other Operations was NOK -9 million, compared with NOK -78 million in the corresponding quarter of 2009.

The order backlog at the end of the period was NOK 6 million. The business area entered no new contracts during the first quarter 2010.

Operation and market comments – Other Operations

During the first quarter the Florø yard delivered *Stolt Breland*, the last in a series of six chemical tankers to Stolt Nielsen.

Following the completion of the aforementioned tanker series the yard will convert into a ship repair and maintenance yard for both commercial and offshore vessels. This transformation is a measure to maintain expertise while at the same time adapting to the changing market conditions. As of 1 April 2010, the operational responsibility of the Florø yard was moved to the Offshore & Specialized Vessels business area, under a management contract, while STX Europe AS remains the legal parent company. During the first quarter, Oddvar Saunes was appointed new yard director at the Florø yard.

Financing

In March 2010, STX Europe AS completed a 2-year NOK 250 million senior unsecured bond issue. STX Europe AS holds NOK 23 million of the new bonds. The new bonds have customary loan conditions for non-investment grade bonds in the Norwegian bond market. The bonds will be listed on the Oslo Stock Exchange together with AKY03 and AKY04 – both maturing in 2013.

During the quarter, STX Finland took up a new one year EUR 15 million corporate loan for general corporate purposes in Finland. The loan was provided by Varma / Garantia.

While most of the financing requirements for 2010 are secured, STX Europe has an ongoing need to access new and/or refinance existing credit- & guarantee facilities and construction loans. The Board of Directors expects such financing needs to be secured in the ordinary course of business.

Other matters

On 12 January 2010, subsequent to the formal delivery of the last small tanker to STX Pan Ocean from the Wadan Yards Okean in Ukraine, STX Europe was informed that the vessel had not been permitted to leave the yard. The exact rationale for the vessel's detention remains the subject of further investigation; however the Company believes that the situation will be resolved in the short to medium term. STX Europe will continuously assist STX Pan Ocean and will take and/or join such legal or other action as may be appropriate to recover any potential losses in relation to the vessel's detention.

As communicated in the 2009 annual report, STX Europe could face additional losses in relation to the bankruptcy of Wadan Yards MTW GmbH in August 2009 and other factors related to the sale of the yards in Germany and Ukraine to FLC West in 2008. Due to the bankruptcy of Wadan Yards Group AS on 16 March 2010, a loss provision of NOK 160 million was recorded in the first quarter of 2010. None of these losses have any cash effect.

During the quarter, Mr. In-Sung Lee was appointed Chairman of STX Europe, succeeding Mr. Kyung Jin Hong. In addition, Jürgen Kennemann (56) was appointed Senior Vice President - Head of Group Synergies and member of the Executive Management Team.

On 24 March 2010 STX Europe exercised its option to acquire Alstom's shares in STX France S.A. Consequently, STX Europe has an ownership of 66.66 percent in STX France S.A.

Events after the end of the reporting period

STX Europe officially opened its shipyard in Vung Tau in Vietnam on 28 April 2010. The opening took place in connection with the naming ceremony of *Skandi Emerald* – the first in a series of six advanced anchor handling tug supply vessels. The STX Vietnam Offshore shipyard is a modern yard set for the highest international standard and is built to fulfill STX Europe's commitment and focus on the

environment in all its operations. At full operation, the yard can reach capacity of four medium size vessels per year. With its location at the heart of Vietnam's growing offshore oil industry, the yard will strengthen STX Europe's ability to serve its international customers in the region.

Outlook

The major focus of STX Europe over the next twelve months will be to further improve its competitiveness in order to strengthen its leading position within its business areas. Strategies include productivity gains, innovation, and design- and technology developments. Increased cooperation and synergies with the STX Business Group in Korea is expected to become increasingly important.

In the first quarter 2010, the Offshore & Specialized Vessels business area reported its strongest ever EBITDA. The business area also improved its order backlog during the first quarter. It is believed that the economic fundamentals relevant for the oil service industry have improved during the quarter. In particular exploration and production activities are expected to increase in harsh environments and deeper waters, which is expected to have a positive impact on the demand for advanced offshore vessels. With its leading technology and strong operational track-record, STX Europe expects to be able to benefit from such trends.

In the Cruise & Ferries business area, the past year was characterized by low ordering activity and a reduced order backlog. This has led to poor financial performance and triggered restructuring of certain yards within the business areas. Due to the current low order backlog the need for continued restructuring is expected in the short term. However, industry fundamentals are believed to have improved during the quarter and recent market activity among cruise and ferry operators suggests increasing interest for newbuilding projects. The company is therefore cautiously optimistic about the long term outlook for its Cruise & Ferries business area.

Responsibility Statement

We, the Board of Directors of STX Europe AS, confirm that, to the best of our knowledge, the condensed set of financial statements for the first quarter of 2010 which has been prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of STX Europe's consolidated assets, liabilities, financial position and results of operations. We also confirm that, to the best of our knowledge, the first quarter 2010 report includes a fair review of important events that have occurred during fourth quarter of the financial year and their impact on the financial statements and any major related parties' transactions.

Oslo, 11th March 2010
STX Europe AS
Board of Directors

In-Sung Lee
Board Chairman

Sang Ho Shin
Deputy Chairman
and President & CEO

Byung Ryoon Woo
Board member

Jun-Pyo Chung
Board member

Øyvind Bjerke
Board member

Audun Grønnevik
Board member

Arne Otto Rogne
Board member

Tabular information

Profit and loss statement (unaudited)

Amounts in NOK million	Quarterly results					Annual results	
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2008	2009
Operating revenues	8 779	6 610	6 426	7 326	5 159	31 496	29 141
Operating expenses	-8 773	-6 535	-6 331	-7 370	-5 072	-31 896	-29 008
EBITDA	6	75	96	-44	88	-400	133
Ordinary depreciation	-100	-104	-95	-98	-90	-378	-399
Amortization and write-downs	-4	-4	-4	-5	-4	-17	-18
EBIT before non recurring items	-99	-33	-4	-147	-7	-796	-283
Impairment of goodwill / recognition of negative goodwill	-	-	-	-	-	241	-
Other non recurring items	-	-	-	-96	-13	-6	-96
EBIT	-99	-33	-4	-244	-20	-561	-380
Net financial items	-128	29	-155	-75	15	-90	-329
Share of profit of associated companies	-	-24	-	-141	-147	-28	-165
Profit before tax	-227	-29	-159	-460	-151	-679	-875
Tax	47	-9	-26	160	5	95	173
Profit from continuing operations	-180	-37	-185	-299	-146	-584	-702
Profit from discontinued operations	-	-	-	-81	-	624	-81
Profit after tax	-180	-37	-185	-380	-146	40	-782
Minority interests	26	26	15	19	43	44	84
Equity holders of STX Europe AS	-154	-12	-171	-361	-104	84	-698

Statement of Comprehensive Income (unaudited)

Amounts in NOK million	Quarterly results					Annual results	
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2008	2009
Profit for the period	-180	-37	-185	-380	-146	40	-782
Exchange differences on translation of foreign operations	-567	39	-267	-118	-130	987	-913
Tax on translation exchange difference considered as part of the Group's net investment in the foreign subsidiary	11	-	2	-3	-	-13	10
Other comprehensive income	-556	39	-265	-121	-130	974	-904
Comprehensive income for the period, net of tax	-736	1	-450	-501	-276	1 014	-1 686
Minority interests	135	17	73	40	69	43	265
Equity holders of STX Europe AS	-601	22	-380	-461	-207	1 056	-1 420

Balance sheet

Assets

<i>Amounts in NOK million</i>	31.03.2009	31.03.2010	31.12.2009
Property, plant & equipment	3 036	2 650	2 756
Goodwill	1 315	1 302	1 307
Other intangible assets	37	31	35
Total intangible assets	1 352	1 334	1 343
Deferred tax assets	902	997	935
Associated companies	313	3	3
Available for sale financial assets	20	19	18
Interest-bearing long term receivables	71	45	81
Other long term assets	126	61	217
Total financial assets	1 431	1 125	1 255
Total non-current assets	5 819	5 109	5 354
Current operating assets	22 208	18 962	20 643
Interest-bearing short term receivables	25	19	19
Total receivables and other current assets	22 233	18 981	20 663
Cash and bank deposits	2 745	2 668	3 339
Total current assets	24 977	21 649	24 002
Assets held for sale	-	-	-
Total assets	30 797	26 758	29 356

Equity and liabilities

<i>Amounts in NOK million</i>	31.03.2009	31.03.2010	31.12.2009
Paid-in capital	722	722	722
Other paid-in capital	3 206	3 190	3 190
Other reserves	319	-60	43
Retained earnings	1 318	672	776
Total equity attributable to equity holders of the parent	5 565	4 524	4 731
Minority interest	1 125	917	986
Total equity	6 690	5 441	5 718
Long term interest-bearing liabilities	2 620	2 379	2 167
Deferred tax liability	18	22	14
Non-current provisions	97	140	131
Other long-term liabilities	143	140	140
Total non-current liabilities	2 878	2 681	2 452
Construction loans	10 906	9 698	10 066
Other short term interest-bearing liabilities	455	582	490
Current provisions	339	325	314
Current operating liabilities	9 528	8 031	10 317
Total current liabilities	21 228	18 635	21 186
Total liabilities	24 106	21 316	23 638
Liabilities held for sale	-	-	-
Total equity and liabilities	30 797	26 758	29 356

Statement of changes in shareholders equity (unaudited)

<i>Amounts in NOK million</i>	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	Minority interests	Total equity
Equity as of 1 January 2010	454	268	3 190	43	776	4 731	986	5 718
Net profit	-	-	-	-	-104	-104	-43	-146
Other comprehensive income	-	-	-	-104	-	-104	-26	-130
Change in minority interest	-	-	-	-	-	-	-	-
Fair value changes	-	-	-	-	-	-	-	-
Convertible debt	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Equity as of 31 March 2010	454	268	3 190	-60	672	4 524	917	5 441
<i>Amounts in NOK million</i>	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	Minority interests	Total equity
Equity as of 1 January 2009	434	268	3 000	766	1 297	5 766	1 167	6 933
Net profit	-	-	-	-	-154	-154	-26	-180
Other comprehensive income	-	-	-	-447	-	-447	-109	-556
Change in minority interest	-	-	-	-	-30	-30	7	-22
Fair value changes	-	-	-	-	-	-	-	-
Convertible debt	-	-	206	-	-	206	85	291
Treasury shares	20	-	-	-	205	225	-	225
Equity as of 31 March 2009	454	268	3 206	319	1 318	5 565	1 125	6 691
<i>Amounts in NOK million</i>	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	Minority interests	Total equity
Equity as of 1 January 2009	434	268	3 000	766	1 297	5 766	1 167	6 933
Net profit	-	-	-	-	-698	-698	-84	-782
Other comprehensive income	-	-	-	-722	-	-722	-181	-903
Change in minority interest	-	-	-	-	-30	-30	7	-22
Fair value changes	-	-	-	-1	-	-1	-	-1
Convertible debt	-	-	190	-	-	190	77	268
Treasury shares	20	-	-	-	205	225	-	225
Equity as of 31 December 2009	454	268	3 190	43	776	4 731	986	5 718

Cash Flow (unaudited)

<i>Amounts in NOK million</i>	Quarterly results					Annual results	
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2008	2009
CF from operations	89	-23	260	-426	-50	-39	-99
+ Change in working capital	-523	-532	-47	1 703	-901	-2 873	602
= CF from operating activities	-434	-555	214	1 278	-951	-2 912	502
+ CF from investing activities	-19	-122	-242	49	8	367	-334
+ CF from financing activities	48	78	149	-43	320	601	232
Net increase/decrease in cash and cash equivalents	-406	-599	121	1 283	-623	-1 945	400
Effect of FX rate changes	-112	104	-359	44	-49	569	-323
Cash and cash equivalents at beginning of period	3 262	2 745	2 250	2 012	3 339	4 638	3 262
Cash and cash equivalents at end of period¹	2 745	2 250	2 012	3 339	2 668	3 262	3 339
Restricted cash at end of period	336	499	292	467	482	497	489

Working capital (unaudited)

<i>Amounts in NOK million</i>	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Current operating assets	22 208	23 099	25 229	20 643	18 962
- Current operating liabilities	-9 868	-9 030	-9 804	-10 630	-8 356
- Construction loans	-10 906	-12 093	-13 324	-10 066	-9 698
= Net working capital	1 434	1 976	2 102	-52	908
+ Cash and bank deposits	2 745	2 250	2 012	3 339	2 668
+ Current interest-bearing receivables	25	21	20	19	19
= Total working capital (as defined)	4 204	4 247	4 134	3 306	3 595

Net interest bearing liabilities (unaudited)

<i>Amounts in NOK million</i>	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10
Long term interest-bearing liabilities	2 620	2 608	2 749	2 167	2 379
+ Short term interest-bearing liabilities (excl. construction loans)	455	439	387	490	582
- Long term interest-bearing receivables	-71	-66	-60	-81	-45
- Current interest-bearing receivables	-25	-21	-20	-19	-19
- Cash and bank deposits	-2 745	-2 250	-2 012	-3 339	-2 668
+ project related cash	1 737	1 737	1 290	1 715	1 122
= Net interest bearing liabilities (as defined)	1 972	2 447	2 334	933	1 350

Business Area information (unaudited)

Cruise & Ferries

<i>Amounts in NOK million</i>	Quarterly results					Annual results	
	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	2008	2009
Operating revenues	5 026	3 715	3 258	2 981	2 383	19 709	14 980
EBITDA	8	-73	-39	-104	-196	103	-209
EBITDA-margin (%)	0.2 %	-2.0 %	-1.2 %	-3.5 %	-8.2 %	0.5 %	-1.4 %
EBITA	-59	-143	-100	-167	-253	-142	-470
EBIT before non recurring items	-61	-145	-102	-169	-255	-149	-477
Order intake	-	2 410	-	372	54	3 871	2 782
Order backlog	15 531	14 434	10 932	8 987	5 588	22 446	8 987

Offshore & Specialized Vessels

<i>Amounts in NOK million</i>	Quarterly results					Annual results	
	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	2008	2009
Operating revenues	3 253	2 375	2 771	4 110	2 637	10 427	12 508
EBITDA	75	154	163	250	293	-29	643
EBITDA-margin (%)	2.3 %	6.5 %	5.9 %	6.1 %	11.1 %	-0.3 %	5.1 %
EBITA	47	124	133	219	264	-139	523
EBIT before non recurring items	46	124	133	218	263	-141	521
Order intake	352	1 595	400	2 805	2 743	6 140	5 152
Order backlog	21 664	20 497	17 182	15 613	16 727	24 113	15 613

Other Operations

<i>Amounts in NOK million</i>	Quarterly results					Annual results	
	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	2008	2009
Operating revenues	500	520	398	236	139	1360	1654
EBITDA	-78	-5	-28	-190	-9	-474	-301
EBITA	-82	-10	-33	-194	-14	-496	-319
EBIT before non recurring items	-84	-12	-35	-196	-16	-506	-327
Order intake	28	-12	-	-	11	72	17
Order backlog	829	436	230	76	6	1 223	76

Notes to the interim financial statements 1st quarter 2010

Note 1 Reporting entity

STX Europe AS is a company domiciled in Norway. The interim financial statements for the first quarter 2010 ended on 31 March 2010 and comprise STX Europe AS and its subsidiaries (together referred to as the "Group" and the Group's interests in associates).

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available at www.stxeurope.com.

Note 2 Statement of compliance

These interim financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009.

These interim financial statements were approved by the Board of Directors 11 May 2010.

Note 3 Significant accounting principles

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009. No new standards with effect for these interim financial statements have been adopted in this quarter.

Note 4 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in preparing these interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

Note 5 Financial Instruments

The effect of derivatives not qualifying for hedge accounting under IFRS amounts to about NOK 70 million and is presented under other financial revenue in the first quarter 2010.

Note 6 Interest bearing loans

For interest bearing loans the following repayments and new debts were made in during the quarter;

<i>Amounts in NOK million</i>	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010
Opening balance	3 566	3 075	3 047	3 136	2 657
Changes MRCF	70	-	-	-	-
Bond loan	-	-	-	-	227
Long term loan STX	-110	-	250	220	-10
Installment bond AKY05	-	-	-	-250	-
Loan France	-323	-	-	-	-
Finland - Varma loan	-	-	-	-414	-
Net changes other interest bearing debt	-24	-31	-83	-13	101
Currency translation	-104	3	-78	-22	-15
Closing balance	3 075	3 047	3 136	2 657	2 960

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